

shares from trading at a material discount or premium from NAV.

6. With respect to Funds that effect creations and redemptions of Creation Units in kind and that are based on certain Underlying Indexes that include foreign securities, applicants request relief from the requirement imposed by section 22(e) in order to allow such Funds to pay redemption proceeds within fifteen calendar days following the tender of Creation Units for redemption. Applicants assert that the requested relief would not be inconsistent with the spirit and intent of section 22(e) to prevent unreasonable, undisclosed or unforeseen delays in the actual payment of redemption proceeds.

7. Applicants request an exemption to permit Funds of Funds to acquire Fund shares beyond the limits of section 12(d)(1)(A) of the Act; and the Funds, and any principal underwriter for the Funds, and/or any broker or dealer registered under the Exchange Act, to sell shares to Funds of Funds beyond the limits of section 12(d)(1)(B) of the Act. The application's terms and conditions are designed to, among other things, help prevent any potential (i) undue influence over a Fund through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits in sections 12(d)(1)(A) and (B) of the Act.

8. Applicants request an exemption from sections 17(a)(1) and 17(a)(2) of the Act to permit persons that are Affiliated Persons, or Second-Tier Affiliates, of the Funds, solely by virtue of certain ownership interests, to effectuate purchases and redemptions in-kind. The deposit procedures for in-kind purchases of Creation Units and the redemption procedures for in-kind redemptions of Creation Units will be the same for all purchases and redemptions and Deposit Instruments and Redemption Instruments will be valued in the same manner as those investment positions currently held by the Funds. Applicants also seek relief from the prohibitions on affiliated transactions in section 17(a) to permit a Fund to sell its shares to and redeem its shares from a Fund of Funds, and to engage in the accompanying in-kind transactions with the Fund of Funds.<sup>3</sup>

<sup>3</sup> The requested relief would apply to direct sales of shares in Creation Units by a Fund to a Fund of Funds and redemptions of those shares. Applicants are not seeking relief from section 17(a) for, and the requested relief will not apply to, transactions where a Fund could be deemed an Affiliated Person, or a Second-Tier Affiliate, of a Fund of

The purchase of Creation Units by a Fund of Funds directly from a Fund will be accomplished in accordance with the policies of the Fund of Funds and will be based on the NAVs of the Funds.

9. Section 6(c) of the Act permits the Commission to exempt any persons or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Section 12(d)(1)(f) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act.

For the Commission, by the Division of Investment Management, under delegated authority.

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84462; File No. SR-NYSEArca-2018-25]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, Regarding the Continued Listing and Trading of Shares of the Natixis Loomis Sayles Short Duration Income ETF

October 22, 2018.

On April 16, 2018, NYSE Arca, Inc. ("NYSE Arca" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant

Funds because an Adviser or an entity controlling, controlled by or under common control with an Adviser provides investment advisory services to that Fund of Funds.

to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to continue listing and trading shares of the Natixis Loomis Sayles Short Duration Income ETF under NYSE Arca Rule 8.600-E, Managed Fund Shares.<sup>3</sup> The proposed rule change was published for comment in the **Federal Register** on May 3, 2018.<sup>4</sup> On June 5, 2018, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> the Commission designated August 1, 2018 as the date by which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>6</sup> On June 6, 2018, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>7</sup> On July 27, 2018, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change.<sup>8</sup> The Commission has received no comments on the proposed rule change.

Section 19(b)(2) of the Act<sup>9</sup> provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for notice and comment in the **Federal Register** on May 3, 2018. October 30, 2018 is 180 days from that date, and December 29, 2018 is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Currently, the Exchange lists and trades the shares pursuant to NYSE Arca Rule 8.600-E. As discussed in Amendment No. 1, *infra* note 7, the Exchange submitted this proposed rule change to permit the fund's portfolio to deviate from two of the "generic" listing requirements applicable to Managed Fund Shares.

<sup>4</sup> See Securities Exchange Act Release No. 83122 (April 27, 2018), 83 FR 19578.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> See Securities Exchange Act Release No. 83385, 83 FR 27034 (June 11, 2018).

<sup>7</sup> Amendment No. 1, which amended and replaced the proposed rule change in its entirety, is available at: <https://www.sec.gov/comments/sr-nysearca-2018-25/nysearca201825-3795048-162717.pdf>.

<sup>8</sup> See Securities Exchange Act Release No. 83733, 83 FR 37831 (August 2, 2018).

<sup>9</sup> 15 U.S.C. 78s(b)(2).

disapproving the proposed rule change so that it has sufficient time to consider this proposed rule change, as modified by Amendment No. 1. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> designates December 29, 2018 as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR-NYSEArca-2018-25), as modified by Amendment No. 1.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84463; File No. SR-ICEEU-2018-016 ]

### Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amendments to the ICE Clear Europe Delivery Procedures

October 22, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 10, 2018, ICE Clear Europe Limited (“ICE Clear Europe” or the “Clearing House”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule changes described in Items I, II and III below, which Items have been prepared primarily by ICE Clear Europe. ICE Clear Europe filed the proposed rule changes pursuant to Section 19(b)(3)(A) of the Act,<sup>3</sup> and Rule 19b-4(f)(4)(ii) thereunder,<sup>4</sup> so that the proposal was immediately effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The principal purpose of the proposed amendments is for ICE Clear Europe to amend its Delivery Procedures (the “Delivery

Procedures”)<sup>5</sup> with respect to the delivery terms relating to the ICE Futures Europe (“ICE Futures Europe” or “IFEU”) Permian West Texas Intermediate Crude Oil Futures Contract.

#### II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICE Clear Europe included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. ICE Clear Europe has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

##### (A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### (a) Purpose

ICE Clear Europe is amending its Delivery Procedures to add a new Part CC addressing delivery under a new Permian West Texas Intermediate Crude Oil Futures Contract (the “Permian WTI Contract”) that will be traded on ICE Futures Europe and cleared by ICE Clear Europe, and to make certain related changes. ICE Clear Europe does not otherwise propose to amend its Clearing Rules (the “Rules”)<sup>6</sup> or Procedures in connection with these changes.

New Part CC of the Delivery Procedures provides specifications and procedures for deliveries under the Permian WTI Contract, which will take place at the Magellan Crude Oil Pipeline Company, L.P. (“Magellan”) East Houston terminal (“MEH”). Consistent with the exchange contract terms, the buyer and seller must be approved shippers with delivery documentation with Magellan. Delivery may be effected through orders for inter-facility transfer, in-line (or in-system) transfer or in-tank transfer of title, in accordance with relevant Magellan documentation and tariffs, as set out in Part CC and the relevant exchange contract terms. The amendments also establish standards for delivery quality, as well as relevant procedures for exchange of futures for physical transactions under exchange rules.

Part CC addresses certain the responsibility of the Clearing House and

relevant parties for delivery under the Permian WTI Contracts, supplementing the existing provisions of the Rules. Specifically, neither the Clearing House nor ICE Futures Europe are responsible for the performance of Magellan or any person operating MEH nor do they make any representation regarding the authenticity, validity or accuracy of any delivery tender notice, confirmation of transfer or any other notice, document, file, record or instrument used or delivered pursuant to the Rules and Procedures.

The amendments address delivery margin and relevant contract security with respect to Permian WTI Contracts. The amendments specify certain details of the delivery process. Delivery of ICE Permian WTI Contracts will be based on open contract positions at the close of trading on the last trading day for which physical delivery is specified. A delivery schedule must be agreed between Magellan and the Buyer and Seller. The procedures include a detailed timeframe for relevant notices of intent to deliver or receive, nominations of parties to delivery or receive, delivery confirmations, invoicing, release of delivery margin following completion of delivery and other matters.

The amendments also contemplate the use of alternative delivery procedures for Permian WTI Contracts, under which the buyer and seller under a contract may agree to arrange delivery and payment for a specific tender outside of the exchange rules and in lieu of the standard delivery arrangements and procedures. The amendments set out notice and other requirements for such alternative delivery procedures.

ICE Clear Europe is also adding a new section 16.7 requiring Clearing Members, Buyers, Seller, Transferors and Transferees that make or take delivery pursuant to a Contract to comply with requirements relating to filing, notification, reporting, registration, certification or authorization under Applicable Laws or from the Delivery Facility.

###### (b) Statutory Basis

Section 17A(b)(3)(F) of the Act<sup>7</sup> requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible,

<sup>10</sup> *Id.*

<sup>11</sup> 17 CFR 200.30-3(a)(57).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(4)(ii).

<sup>5</sup> Capitalized terms used but not defined herein have the meanings specified in the ICE Clear Europe Delivery Procedures.

<sup>6</sup> Capitalized terms used but not defined herein have the meanings specified in the Rules.

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F).